

## **GUARANTEED EDUCATION TUITION (GET) CANCELLATION AND REFUND POLICY**

Adopted 1-23-01

### **Cancellations**

- A purchaser may cancel his or her GET account within three working days after the GET Program receives the initial payment. The GET Program will return all of the money in the account, *including* the \$50 application fee.
- The purchaser may cancel his or her GET account within six months after the GET Program receives the initial payment. The GET Program will return all of the money in the account, *except* the non-refundable \$50 application fee.
- The purchaser may cancel his or her GET account, if the purchaser has paid \$500 or less into his or her GET account. The GET Program would return all the purchaser's money, *except* the non-refundable \$50 application fee.

### **Refunds - General**

- All refunds will be made according to Washington State statute (RCW 28B.95.110).
- The GET Program Director must approve refunds from accounts older than six months into which the purchaser has paid over \$500.
- Units must have been in a GET account that has been open for two calendar years, determined from the date on which the GET Program receives the application, the application fee, and the initial payment. Exceptions to the two-year wait include refunds for death or disability, financial hardship, or materially misunderstood program.
- If the GET Program Director denies a refund request, the purchaser may submit a letter to the Director within ten days after notification asking for reconsideration. If the Director denies reconsideration, the purchaser may submit a letter to the GET Committee Chair within ten days after notification asking for reconsideration. The GET Committee would then hold a brief adjudicative proceeding during its next scheduled meeting.

**Application Fee** - The \$50 application fee is non-refundable with the exception of accounts cancelled within 3 days.

**IRS Penalty** - The Internal Revenue Service requires the GET Program to assess a penalty, as designated in the U.S. Code, Title 26, Section 529, when funds are removed for purposes other than higher educational expenses. The penalty amount is 10% of the increased value of the units held at the time of the refund, or \$100, whichever is greater.

**Refund Value** – Refunds are subject to an IRS penalty, a cancellation fee, and any outstanding and/or processing fees. Refunds are made at either the current value, as determined by the governing body, or at the weighted average tuition, when required by statute.

### **How to Request a Refund**

- Only the purchaser may request a refund.
- Purchasers provide an initial request in writing with an original signature stating the reason for the request to the GET Director, P.O. Box 43450, Olympia, WA 98504-3450. The purchaser must also complete a Certification Form, which will be provided by the Program and have it notarized and provide supporting documentation.
- Refund checks are sent to the purchaser unless the purchaser specifies in writing that the refund check should be sent to the student.
- When the legislature established the GET program, they placed in state law (RCW 28B.95.110) specific guidelines to be followed when determine whether to allow a refund from a GET account. In addition to these State regulations, the Internal Revenue Service in IRC §529 gives additional direction for refunding tax deferred funds placed in a college prepaid tuition and savings plans. The GET master contract, which

states, “The request for refund must include the information and documentation required by the Program.” was written with these guidelines in mind. Because §529 plans offer tax deferral on all earnings, the IRS is very specific in how State programs must operate.

### **Eligible Refunds**

- Death – The purchaser must include the student’s death certificate with the refund request. The GET Program will refund the money within 90 days of receipt of the certification. No IRS penalty will be assessed. The refund will be made at the current value, as determined by the governing body.
- Disability – The purchaser must include appropriate documentation from a medical professional demonstrating that the disability prevents the student from attending any institution of higher education. The GET Program will refund the money within 90 days. No IRS penalty will be assessed. The refund will be made at the current value, as determined by the governing body.
- Scholarship – The purchaser must produce documentation including the scholarship-awarding entity, the scholarship amount, and the applicable academic term. The refund amount will be up to 100 units per year. The refund may not exceed the scholarship amount. No IRS penalty will be assessed. The account must have been open for two calendar years. The refund will be made at the current value, as determined by the governing body.
- Graduation or program completion – The purchaser must provide documentation that the student has graduated or completed the program they were enrolled in. The refund will be on the unused units in the account at the time of certification. No IRS penalty will be assessed. The account must have been open for two calendar years. The refund will be made at the current value, as determined by the governing body.
- Non-attendance – The purchaser must certify that the student is 18 years of age or older, and will not attend an institution of higher education. The GET Program will refund the money no sooner than 90 days after the purchaser submits the certification. An IRS penalty of 10% of the increased value or \$100, whichever is greater, will be assessed. The account must have been open for two calendar years. The refund will be at the weighted average tuition.
- Incorrect or misleading information – If the purchaser provides incorrect or misleading information, the GET Program may close the account. The IRS penalty will be assessed. The refund will be made at the current value, as determined by the governing body.
- Materially misunderstood the program – The purchaser must certify that he or she misunderstood the terms of the GET Program contract. A notarized signature will be required. The IRS penalty will be assessed. The refund will be made at the current value, as determined by the governing body.
- Financial hardship – The GET Program Director will determine financial hardship refund requests on a case-by-case basis. Financial hardship could include job loss, bankruptcy, eviction, or disconnection of utilities. A notarized signature will be required. The IRS penalty will be assessed. The refund will be made at the current value, as determined by the governing body.
- Other – The GET Program Director, at his or her discretion, may review and approve refund requests involving exceptional circumstances not addressed in this policy, on a case-by-case basis. A notarized signature may be required. The IRS penalty will be assessed. The refund will be made at the current value, as determined by the governing body.